

# 2005 Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts

3805V

Attach to your California tax return.

Name(s) as shown on return

Social security number

FEIN

0010

**Part I Computation of Current Year NOL for Individuals, Estates, and Trusts.** If you do not have a current year NOL, go to Part II.**Section A — California Residents Only** (Nonresidents go to Section B)

|   |  |    |        |   |
|---|--|----|--------|---|
| 1   | Adjusted gross income from 2005 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3  | 1  | 0020   |   |
| 2   | Itemized deductions or standard deduction from 2005 Form 540, line 18  | 2  | ( 0030 | ) |
| 3   | a Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets.<br>If positive, enter -0- here and on line 27. Do not complete the rest of Section A. You do not have a current year NOL.<br>Complete Part II and Part III if you have a carryover from prior years. | 3a | 0040   |   |
|   | b 2005 designated disaster loss included in line 3a. Enter as a positive number  | 3b | 0050   |   |
|   | c Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed   | 3c | 0060   |   |
| <b>Note:</b> Enter amounts on line 4 through line 26 as if they were all <b>positive</b> numbers. See instructions. |  |    |        |   |
| 4   | Nonbusiness capital losses   | 4  | 0070   |   |
| 5   | Nonbusiness capital gains. See instructions  | 5  | 0080   |   |
| 6   | If line 4 is more than line 5, enter the difference; otherwise, enter -0-  | 6  | 0090   |   |
| 7   | If line 4 is less than line 5, enter the difference; otherwise, enter -0-  | 7  | 0100   |   |
| 8   | Nonbusiness deductions   | 8  | 0110   |   |
| 9   | Nonbusiness income other than capital gains  | 9  | 0120   |   |
| 10  | Add line 7 and line 9  | 10 | 0130   |   |
| 11  | If line 8 is more than line 10, enter the difference; otherwise, enter -0-   | 11 | 0140   |   |
| 12  | If line 8 is less than line 10, enter the difference; otherwise, enter -0-   | 12 | 0150   |   |
| 13  | Business capital losses  | 13 | 0160   |   |
| 14  | Business capital gains. See instructions   | 14 | 0170   |   |
| 15  | Add line 12 and line 14  | 15 | 0180   |   |
| 16  | If line 13 is more than line 15, enter the difference; otherwise, enter -0-  | 16 | 0190   |   |
| 17  | Add line 6 and line 16   | 17 | 0200   |   |
| 18  | Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17.  | 18 | 0201   |   |
| 19  | R&TC Section 18152.5 exclusion. Enter as a positive number   | 19 | 0202   |   |
| 20  | Subtract line 19 from line 18. If zero or less, enter -0-  | 20 | 0203   |   |
| 21  | Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number  | 21 | 0204   |   |
| 22  | If line 20 is more than line 21, enter the difference; otherwise, enter -0-  | 22 | 0205   |   |
| 23  | If line 21 is more than line 20, enter the difference; otherwise, enter -0-  | 23 | 0206   |   |
| 24  | Subtract line 22 from line 17. If zero or less, enter -0-  | 24 | 0207   |   |
| 25  | NOL and disaster loss carryovers from prior years. See instructions  | 25 | 0210   |   |
| 26  | Add lines 11, 19, 23, 24, and 25   | 26 | 0220   |   |
| 27  | <b>2005 NOL carryover.</b> Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover  | 27 | 0270   |   |

**Section B — Nonresidents and Part-Year Residents Only — Computation of Current Year California NOL**

|   | A  | B  | C   | D  | E                                    |
|---|--|--|---|--|--------------------------------------|
|   | Enter total amounts<br>as if you were a<br>CA resident for<br>entire year. | Enter amounts<br>earned or received<br>from CA sources<br>if you were a<br>nonresident for the<br>entire year. | Enter amounts<br>earned or received<br>during the portion<br>of the year you were<br>a CA resident. | Enter amounts<br>earned or received<br>from CA sources<br>during the portion<br>of the year you were<br>a nonresident. | Total<br>Combine<br>columns C and D. |
| <b>1</b> Adjusted gross income. See instructions<br>If negative, use brackets   | <b>1</b> 1310  | 1320   | 1330  | 1340   | 1350                                 |
| <b>2</b> Itemized deductions or standard deduction.<br>See instructions   | <b>2</b> ( 1360 )  | ( 1370 )   | ( 1380 )  | ( 1390 )   | ( 1400 )                             |
| <b>3 a</b> Combine line 1 and line 2. If negative, use<br>brackets. If positive, enter -0- here and on<br>line 27. Complete Part II and Part III if you<br>have a carryover from prior years  | <b>3a</b> 1410   | 1420   | 1430  | 1440   | 1450                                 |
| <b>b</b> 2005 designated disaster loss included<br>in line 3a. Enter as a positive number   | <b>3b</b> 1460   | 1470   | 1480  | 1490   | 1500                                 |
| <b>c</b> Combine line 3a and line 3b. If negative,<br>use brackets and continue to line 4   | <b>3c</b> 1510   | 1520   | 1530  | 1540   | 1550                                 |
| <b>Note:</b> Enter amounts on line 4 through line 26 as if they were all <b>positive</b> numbers  |  |  |   |  |                                      |
| <b>4</b> Nonbusiness capital losses   | <b>4</b> 1560  | 1570   | 1580  | 1590   | 1600                                 |
| <b>5</b> Nonbusiness capital gains. See instructions  | <b>5</b> 1610  | 1620   | 1630  | 1640   | 1650                                 |
| <b>6</b> If line 4 is more than line 5, enter the<br>difference; otherwise, enter -0-   | <b>6</b> 1660  | 1670   | 1680  | 1690   | 1700                                 |
| <b>7</b> If line 4 is less than line 5, enter the<br>difference; otherwise, enter -0-   | <b>7</b> 1710  | 1720   | 1730  | 1740   | 1750                                 |
| <b>8</b> Nonbusiness deductions   | <b>8</b> 1760  | 1770   | 1780  | 1790   | 1800                                 |
| <b>9</b> Nonbusiness income other than capital gains  | <b>9</b> 1810  | 1820   | 1830  | 1840   | 1850                                 |
| <b>10</b> Add line 7 and line 9   | <b>10</b> 1860   | 1870   | 1880  | 1890   | 1900                                 |
| <b>11</b> If line 8 is more than line 10, enter the<br>difference; otherwise, enter -0-   | <b>11</b> 1910   | 1920   | 1930  | 1940   | 1950                                 |
| <b>12</b> If line 8 is less than line 10, enter the<br>difference; otherwise, enter -0-   | <b>12</b> 1960   | 1970   | 1980  | 1990   | 2000                                 |
| <b>13</b> Business capital losses   | <b>13</b> 2010   | 2020   | 2030  | 2040   | 2050                                 |
| <b>14</b> Business capital gains. See instructions  | <b>14</b> 2060   | 2070   | 2080  | 2090   | 2100                                 |
| <b>15</b> Add line 12 and line 14   | <b>15</b> 2110   | 2120   | 2130  | 2140   | 2150                                 |
| <b>16</b> If line 13 is more than line 15, enter the<br>difference; otherwise, enter -0-  | <b>16</b> 2160   | 2170   | 2180  | 2190   | 2200                                 |
| <b>17</b> Add line 6 and line 16  | <b>17</b> 2210   | 2220   | 2230  | 2240   | 2250                                 |
| <b>18</b> Enter the loss, if any, from line 4 of<br>Schedule D (540NR) worksheet for nonresidents<br>and part-year residents. If you do not have a loss<br>on that line (and do not have an R&TC<br>Section 18152.5 exclusion), skip line 18<br>through line 23 and enter on line 24 the<br>amount from line 17 | <b>18</b> 2260   | 2270   | 2280  | 2290   | 2300                                 |
| <b>19</b> R&TC Section 18152.5 exclusion. Enter as a<br>positive number   | <b>19</b> 2310   | 2320   | 2330  | 2340   | 2350                                 |
| <b>20</b> Subtract line 19 from line 18. If zero or less,<br>enter -0-  | <b>20</b> 2360   | 2370   | 2380  | 2390   | 2400                                 |
| <b>21</b> Enter the loss, if any, from line 5 of<br>Schedule D (540NR) worksheet for nonresidents<br>and part-year residents. Enter as a positive<br>number   | <b>21</b> 2410   | 2420   | 2430  | 2440   | 2450                                 |
| <b>22</b> If line 20 is more than line 21, enter the<br>difference; otherwise, enter -0-  | <b>22</b> 2460   | 2470   | 2480  | 2490   | 2500                                 |
| <b>23</b> If line 21 is more than line 20, enter the<br>difference; otherwise, enter -0-  | <b>23</b> 2510   | 2520   | 2530  | 2540   | 2550                                 |
| <b>24</b> Subtract line 22 from line 17. If zero or less,<br>enter -0-  | <b>24</b> 2560   | 2570   | 2580  | 2590   | 2600                                 |
| <b>25</b> NOL and disaster loss carryovers from prior<br>years. See instructions  | <b>25</b> 2610   | 2620   | 2630  | 2640   | 2650                                 |
| <b>26</b> Add lines 11, 19, 23, 24, and 25  | <b>26</b> 2660   | 2670   | 2680  | 2690   | 2700                                 |
| <b>27</b> 2005 NOL carryover. Combine line 3c and<br>line 26. If more than zero, enter -0-  | <b>27</b> 2710   | 2720   | 2730  | 2740   | 2750                                 |

**PART II Determine 2005 Modified Taxable Income (MTI).** Be sure to read the instructions for Part II.

|  |  |          |             |
|--|--|----------|-------------|
| <b>1</b>   | Taxable income. See instructions .....   | <b>1</b> | <b>0510</b> |
| <b>Note:</b> Enter amounts on line 2 through line 4 as if they were all <b>positive</b> numbers. |  |          |             |
| <b>2</b>   | Capital loss deduction included in line 1 .....                                | <b>2</b> | <b>0520</b> |
| <b>3</b>   | Disaster loss carryover included in line 1 .....                               | <b>3</b> | <b>0530</b> |
| <b>4</b>   | NOL carryover included in line 1 .....   | <b>4</b> | <b>0540</b> |
| <b>5</b>   | MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0- ..... | <b>5</b> | <b>0550</b> |

**PART III NOL Carryover and Disaster Loss Carryover Limitations.** See Instructions.

|          |                                |                          |             |
|----------|--------------------------------|--------------------------|-------------|
|          |                                | (g)<br>Available balance |             |
| <b>1</b> | MTI from Part II, line 5 ..... | <b>1</b>                 | <b>0560</b> |

**Prior Year NOLs**

| (a)<br>Year of<br>loss   | (b)<br>Code  | (c)<br>Type of NOL *<br>See below | (d)<br>Initial Loss | (e)<br>Carryover<br>from 2004 | (f)<br>Amount used<br>in 2005 |              | (h)<br>Carryover to 2006<br>subtract column (f)<br>from column (e) |
|--------------------------|--------------|-----------------------------------|---------------------|-------------------------------|-------------------------------|--------------|--|
| <b>*0570</b><br><b>2</b> | <b>+0580</b> | <b>+0590</b>                      | <b>+0600</b>        | <b>+0610</b>                  | <b>+0620</b>                  | <b>+0630</b> | <b>+0640</b>   |
| <b>0650</b>              | <b>0660</b>  | <b>0670</b>                       | <b>0680</b>         | <b>0690</b>                   | <b>0700</b>                   | <b>0710</b>  | <b>0720</b>  |
| <b>0730</b>              | <b>0740</b>  | <b>0750</b>                       | <b>0760</b>         | <b>0770</b>                   | <b>0780</b>                   | <b>0790</b>  | <b>0800</b>  |
| <b>*0810</b>             | <b>+0820</b> | <b>+0830</b>                      | <b>+0840</b>        | <b>+0850</b>                  | <b>+0860</b>                  | <b>+0870</b> | <b>+0880</b>   |

**Current Year NOLs**

|               |             |                    |             |  |             |  |             |
|---------------|-------------|--------------------|-------------|--|-------------|--|-------------|
| <b>3</b> 2005 | <b>0890</b> | <b>0900</b><br>DIS | <b>0910</b> |  | <b>0930</b> |  | <b>0950</b> |
| <b>4</b> 2005 | <b>0960</b> | <b>0970</b>        | <b>0980</b> |  |             |  | <b>1020</b> |
| 2005          | <b>1030</b> | <b>1040</b>        | <b>1050</b> |  |             |  | <b>1090</b> |
| 2005          | <b>1100</b> | <b>1110</b>        | <b>1120</b> |  |             |  | <b>1160</b> |
| 2005          | <b>1170</b> | <b>1180</b>        | <b>1190</b> |  |             |  | <b>1230</b> |

**\*Type of NOL:** General (GEN), New Business (NB), Eligible Small Business (ESB), Title 11 (T11), or Disaster (DIS).

|          |  |          |             |
|----------|--|----------|-------------|
| <b>5</b> | NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss .....                    | <b>5</b> | <b>1240</b> |
| <b>6</b> | Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses ..... | <b>6</b> | <b>1250</b> |